

RJ Reynolds

Tobacco Company

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To: NESA Region Business Managers

Attached is the first update of PRP plans signed and entered in SIS by segment type. Although this report will be updated weekly, we plan to forward it to you monthly. If you feel that it would be beneficial to see it more frequently, please advise.

The first column titled "8/2/98 Merchandising Contracts" includes all active contracts in SIS (old & new). As the new contracts are entered with PRP plans, the PRP percentages will increase. The total number of merchandising contracts will change very little unless we gain/lose partners.

Our assumption is that we have many more contracts signed that have yet to be entered into SIS. It is our hope that in the weeks to come these percentages will grow rapidly.

If you have any questions regarding this report, please don't hesitate to call.

Sincerely,

Lucinda

cc: D. P. Fitzgerald

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Chains with PRP

	<u>Base 5</u>	<u>Base 6</u>	<u>Bonus</u>	<u>Full 8</u>	<u>Full 9</u>	<u>Total</u>
Pack	29	2030	2730	690	4098	9577
Carton	458	92	87	59	326	1022
CTS	0	0	101	57	42	200
	487	2122	2918	806	4466	10799

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SUMMARY of Total PRP's Signed in SIS as of 8/2/98

Geographic Region	8/2/98 Merch.Contr.	BASE PLANS				BONUS PLANS		FULL PLANS				Total	% of Merch.
		Base 5	% of Merch.	Base 6	% of Merch.	Bonus	% of Merch.	Full 8	% of Merch.	Full 9	% of Merch.		
Boston	4584	6	0%	2	0%	261	6%	139	3%	479	10%	887	19%
New York	5233	26	0%	8	0%	180	3%	342	7%	414	8%	970	19%
Philadelphia	4476	10	0%	14	0%	117	3%	242	5%	616	14%	999	22%
Buffalo	4973	0	0%	13	0%	234	5%	138	3%	309	6%	694	14%
Pittsburgh	5987	26	0%	12	0%	443	7%	221	4%	242	4%	944	16%
Cincinnati	6704	8	0%	25	0%	90	1%	346	5%	1028	15%	1497	22%
NESA	31957	76	0%	74	0%	1325	4%	1428	4%	3088	10%	5991	19%
Winston-Salem	7685	8	0%	2	0%	497	6%	183	2%	279	4%	969	13%
Atlanta	7308	32	0%	0	0%	430	6%	65	1%	111	2%	638	9%
So Florida	7559	304	4%	2	0%	838	11%	151	2%	958	13%	2253	30%
Dallas	7011	7	0%	275	4%	383	5%	150	2%	89	1%	904	13%
Richmond	6728	21	0%	97	1%	701	10%	335	5%	1157	17%	2311	34%
SSA	36291	372	1%	376	1%	2849	8%	884	2%	2594	7%	7075	19%
No Cal	5544	5	0%	135	2%	18	0%	18	0%	27	0%	203	4%
So Cal	5102	0	0%	21	0%	87	2%	8	0%	670	13%	786	15%
Seattle	5330	4	0%	7	0%	67	1%	189	4%	423	8%	690	13%
Houston	8534	140	2%	984	12%	383	4%	1329	16%	1198	14%	4034	47%
WSA	24510	149	1%	1147	5%	555	2%	1544	6%	2318	9%	5713	23%
Chicago	5906	7	0%	16	0%	156	3%	35	1%	213	4%	427	7%
Minneapolis	4700	32	1%	39	1%	554	12%	236	5%	117	2%	978	21%
Denver	7698	11	0%	355	5%	137	2%	233	3%	39	1%	775	10%
Detroit	5524	18	0%	176	3%	82	1%	157	3%	429	8%	862	16%
St. Louis	5352	9	0%	27	1%	382	7%	229	4%	124	2%	771	14%
MWSA	29180	77	0%	613	2%	1311	4%	890	3%	922	3%	3813	13%
Grand Total:	121938	574	0.6%	2210	1.8%	6046	5.0%	4746	3.9%	8922	7.3%	22592	19%
Distribution of PRP signed to date													
Chains													
Independents													
% with PRP- All contracted stores													
PRP estimate - % contracted stores													
CIV signed													

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Pack Outlets with PRP Signed in SIS as of 7/27/98

Geographic Region	8/2/98 Merch.Contr.	BASE PLANS				BONUS PLANS		FULL PLANS				Total	% of Merch.
		Base 5	% of Merch.	Base 6	% of Merch.	Bonus	% of Merch.	Full 8	% of Merch.	Full 9	% of Merch.		
Boston	4225	6	0%	2	0%	260	6%	137	3%	477	11%	882	21%
New York	5038	26	1%	8	0%	178	4%	342	7%	402	8%	956	19%
Philadelphia	3863	9	0%	14	0%	115	3%	227	6%	587	15%	952	25%
Buffalo	4274	0	0%	13	0%	223	5%	89	2%	274	6%	599	14%
Pittsburgh	4858	24	0%	10	0%	395	8%	212	4%	230	5%	871	18%
Cincinnati	5149	7	0%	4	0%	61	1%	290	6%	910	18%	1272	25%
NESA	27407	72	0%	51	0%	1232	4%	1297	5%	2880	11%	5532	20%
Winston-Salem	5853	6	0%	2	0%	457	8%	172	3%	251	4%	888	15%
Atlanta	6058	2	0%	0	0%	428	7%	51	1%	104	2%	595	10%
So Florida	6512	14	0%	2	0%	789	12%	141	2%	931	14%	1877	29%
Dallas	5733	1	0%	275	5%	373	7%	146	3%	79	1%	874	15%
Richmond	5241	21	0%	49	1%	649	12%	317	6%	1140	22%	2176	42%
SSA	29397	44	0%	328	1%	2696	9%	837	3%	2505	9%	6410	22%
No Cal	4993	0	0%	135	3%	17	0%	17	0%	26	1%	195	4%
So Cal	4299	0	0%	21	0%	87	2%	8	0%	665	15%	781	18%
Seattle	4046	2	0%	7	0%	63	2%	179	4%	402	10%	653	16%
Houston	7224	24	0%	984	14%	361	5%	1291	18%	937	13%	3597	50%
WSA	20562	26	0%	1147	6%	528	3%	1495	7%	2030	10%	5226	25%
Chicago	5093	7	0%	11	0%	137	3%	32	1%	193	4%	380	7%
Minneapolis	3800	27	1%	10	0%	457	12%	178	5%	106	3%	778	20%
Denver	5871	1	0%	353	6%	133	2%	205	3%	35	1%	727	12%
Detroit	4984	17	0%	176	4%	80	2%	156	3%	417	8%	846	17%
St. Louis	4168	8	0%	27	1%	274	7%	222	5%	101	2%	632	15%
MWSA	23916	60	0%	577	2%	1081	5%	793	3%	852	4%	3363	14%
Grand Total:	101282	202	0.2%	2103	2.1%	5537	5.5%	4422	4.4%	8267	8.2%	20531	70%

Distribution of PRP signed to date	11%	27%	62%	
Chains	10%	13%	23%	
Independents	90%	87%	77%	
% with PRP- All contracted stores	2.3%	0.0%	12.5%	20%
PRP estimate - % contracted stores	30%	26%	44%	
CIV signed	1.2%	3.4%	8.2%	12.9%

Carton Outlets with PRP signed in SIS as of 8/2/98

Geographic Region	8/2/98 Merch.Contr.	BASE PLANS				BONUS PLANS		FULL PLANS				Total	% of Merch.
		Base 5	% of Merch.	Base 6	% of Merch.	Bonus	% of Merch.	Full 8	% of Merch.	Full 9	% of Merch.		
Boston	290					1	1%	8	2%	12	3%	21	4%
New York	140	1	0%			3	1%	8	2%	18	4%	29	6%
Philadelphia	472					17	2%	8	1%	9	1%	38	4%
Buffalo	462											29	6%
Pittsburgh	910	2	0%	2	0%			30	3%	44	4%	96	9%
Cincinnati	1111	1	0%	21	2%							96	9%
NESA	3385	4	0%	23	1%	21	1%	55	2%	93	3%	196	6%
Winston-Salem	1607	2	0%			3	0%	5	0%	19	1%	29	2%
Atlanta	1072	30	3%					1	0%	5	0%	36	3%
So Florida	837	289	35%			7	1%	3	0%	13	2%	312	37%
Dallas	873	6	1%			1	0%			10	1%	17	2%
Richmond	1208			48	4%	21	2%	7	1%	8	1%	84	7%
SSA	5597	327	6%	48	1%	32	1%	16	0%	55	1%	478	9%
No Cal	435	5	1%									5	1%
So Cal	643												
Seattle	1002					1	0%	1	0%	5	0%	7	1%
Houston	1108	116	10%					2	0%	215	19%	333	30%
WSA	3188	121	4%			1	0%	3	0%	220	7%	345	11%
Chicago	503			5	1%	15	3%	1	0%	1	0%	22	4%
Minneapolis	634	5	1%	29	5%	53	8%	52	8%	3	0%	142	22%
Denver	1275	9	1%	2	0%			4	0%	1	0%	16	1%
Detroit	321	1	0%			25	3%	3	0%	18	2%	2	1%
St. Louis	730					93	3%	60	2%	24	1%	46	6%
MWSA	3463	15	0%	36	1%							228	7%
Grand Total	15633	467	3.0%	107	0.7%	147	0.9%	134	0.9%	392	2.5%	1247	8%
Distribution of PRP signed to date				46%			12%			42%			
Chains				44%			7%			31%			
Independents				56%			93%			69%			
% with PRP- All contracted stores				3.7%			0.0%			3.4%			8%
PRP estimate - % contracted stores				21%			27%			52%			
CIV signed				2.1%			0.7%			2.1%			4.9%

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CTS Outlets with PRP signed in SIS as of 8/2/98

Geographic Region	8/2/98 Merch.Contr.	BASE PLANS				BONUS PLANS				FULL PLANS				Total	% of Merch.
		Base 5	% of Merch.	Base 6	% of Merch.	Bonus	% of Merch.	Full 8	% of Merch.	Full 9	% of Merch.				
Boston	69		0%			1	1%	1	1%	2	3%			4	6%
New York	55		0%			1	2%		0%	2	4%			3	5%
Philadelphia	141		0%			2	1%	7	5%	17	12%			26	18%
Buffalo	237		0%			8	3%	41	17%	17	7%			66	28%
Pittsburgh	219		0%			31	14%	1	0%	3	1%			35	16%
Cincinnati	444		0%			29	7%	26	6%	74	17%			129	29%
NESA	1165	0	0%	0		72	6%	76	7%	115	10%			263	23%
Winston-Salem	225		0%			37	16%	6	3%	9	4%			52	23%
Atlanta	178		0%			2	1%	3	2%	2	1%			7	4%
So Florida	210	1	0%			42	20%	7	3%	14	7%			64	30%
Dallas	405		0%			9	2%	4	1%		0%			13	3%
Richmond	279		0%			31	11%	11	4%	9	3%			51	18%
SSA	1297	1	0%	0		121	9%	31	2%	34	3%			187	14%
No Cal	116		0%			1	1%	1	1%	1	1%			3	3%
So Cal	160		0%				0%		0%	5	3%			5	3%
Seattle	282	2	1%			3	1%	9	3%	16	6%			30	11%
Houston	202		0%			22	11%	36	18%	46	23%			104	51%
WSA	760	2	0%	0		26	3%	46	6%	68	9%			142	19%
Chicago	310		0%			4	1%	2	1%	19	6%			25	8%
Minneapolis	266		0%			44	17%	6	2%	8	3%			58	22%
Denver	552	1	0%			4	1%	24	4%	3	1%			32	6%
Detroit	219		0%			2	1%	1	0%	11	5%			14	6%
St. Louis	454	1	0%			83	18%	4	1%	5	1%			93	20%
MWSA	1801	2	0%	0		137	8%	37	2%	46	3%			222	12%
Grand Total	5023	5	0.1%	0		356	7.1%	190	3.8%	263	5.2%			814	15%
Distribution of PRP signed to date			1%				44%				56%				
Chains			0%				12%				12%				
Independents			100%				88%				88%				
% with PRP- All contracted stores			0.1%				0.0%				9.0%				16%
PRP estimate - % contracted stores			0%				30%				70%				
CIV signed			0.1%				5.2%				8.7%				14.0%

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